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x How Big is the Farm Business?

A MERICAN farmers have the largest private business in the world. Their land, buildings, machinery, equipment, livestock, and crops on hand were worth over 90 billion dollars last year. They produce a wide variety of products each year, valued at about 25 billion dollars in 1946.

The tremendous agricultural production is not turned out in a few large plants like automobiles, steel, and hundreds of manufactured products. Instead, it comes from about 5.8 million independent establishments each producing on the average between \$2,500 to \$4,000 worth of products a year. This average production is from relatively small family enterprises having small amounts of farm machinery and using very little outside labor. But this is a statistical average. What does the agricultural picture look like when viewed from the largest-scaled farms to the smallest?

Census data, just made available, show such a picture of the 1944 farm production which amounted to about 18 billion dollars. That year, according to census figures, the farm plant was worth about 60 billion dollars, made up of 46.4 billion dollars in land and buildings, 5.1 billions in machinery and equipment, and 8.5 billions in livestock on hand (not counting the animals marketed).

From the top third of the farms came 80 percent of the total production, from the other two-thirds 20 percent. In other words, 1.9 million farms produced 14.4 billion dollars worth of goods, roughly \$7,500 per farm. The remaining 3.9 million farms produced 3.6 billion dollars worth, or about \$900 per farm. The bottom third of all farms had an average production of about \$400 each and accounted for only 4 percent of the value of the total production. The middle third had an average production of about \$1,500 each and accounted for about 16 percent of the value of the total production.

The top tenth of the farms in both 1939 and 1944 produced half of the total output in each year. This is based on dollar values. Significantly the total output was valued at only 8 billion dollars in 1939 compared with 18 billions in 1944.

Looking at the extremes in the production scale, the census shows that nearly 2 percent of the farms, about 100,000 of them, were abandoned, were new units not yet in operation, or otherwise had no production in 1944. At the other end of the scale, the products of about 5 percent, roughly 300,000 farms, had an average value of more than \$10,000 each. And of these large farms, 25,000 had an output valued at more than \$40,000 each, and 5,000 really big enterprises each had a

production valued from \$100,000 to a million or more. The last two groups accounted for less than 1 percent of the number of farms, yet the value of their output was nearly an eighth of the total.

Where are the large farms? Measured in acres, they are mostly in the West. But measured by the value of production, they are concentrated in the Corn Belt. This region had nearly half the country's farms in the \$10,000-and-over production class. In the West it takes a good many acres of grassland to produce \$10,000 worth of products in a year. Only 20 percent of the big farms in the 11 Western States were livestock farms (those having at least half of the value of the production from livestock). Both field crop farms and fruit-and-nut farms were more numerous, the former accounting for 30 percent of the farms in the region and the latter 25 percent. But in the Corn Belt, half of the \$10,000-and-over farms were livestock farms and a third were field crop farms.

For the country as a whole, 32 percent of these big-producing farms were field crop farms, 30 percent livestock, 11 percent dairy, 11 percent vegetable and fruit-and-nut farms, 8 percent general farms, 6 percent poultry, 1 percent forest product farms, and 1 percent nurseries and specialty farms.

The big farms used most of the farm machinery and hired labor. For example, the New England farms in the \$10,000 to \$40,000 production class, which were sampled, each had about \$3,500 invested in machinery and paid out close to \$3,000 in wages in 1944. Moving up the scale to farms with products worth more than \$40,000, the average farm had in the neighborhood

of \$10,000 invested in farm machinery and paid out in the neighborhood of \$20,000 in wages in 1944. In contrast, these big farms in the Western range area depend more on big acreages. These farms had only about \$6,000 worth of machinery and paid out less than \$5,000 in wages on the average.

For the middle group of all farms, the average production per farm was worth between \$2,500 and \$4,000. The 750,000 farms in this group accounted for 13 percent of the farms. They also accounted for 13 percent of value of the total production, or about 2.3 billion dollars. But they varied widely in physical size. A representative sample from the census shows that these farms average about 125 acres in New England, 460 acres in South Dakota, 1,000 acres in the range country, and 240 acres in Oregon and Washington. In general the farms themselves were worth about the same amount, ranging around \$10,000 including \$1,200 invested in machinery. A small amount of hired labor was used on nearly all of them. And the operators spent just about all their time on their farms, working off of them for wages only a few weeks at most during 1944. Search for the mythical average farm would probably begin and end in this group.

In 1944 it took at least \$4,000 in value of products for farmers to get a net income between \$2,000 and \$3,000. From this net, farmers have to meet land and building costs, as well as interest on debts. For example, a Wisconsin dairy farm with about \$6,000 in value of products got a net income of around \$3,600. An Illinois hog-beef farm with a little more than \$4,000 in value of products got around \$2,600 in net income.

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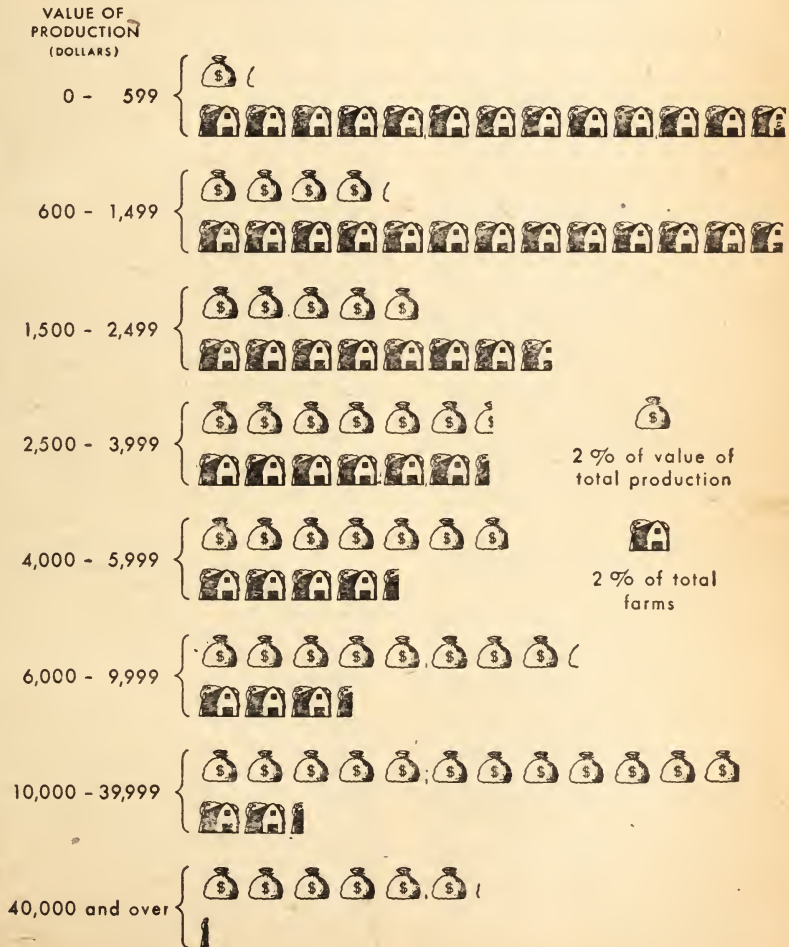
A Texas cotton farm with about \$3,000 in value of products got around \$1,600 in net income. Yet for the country as a whole only a fifth of the farms had products worth over \$4,000. In the Corn Belt and the West a third did, but in New England a fourth did, but in the South only 7 percent did.

At the lower end of the scale are the farms producing less than \$600

in goods. In 1939 about half of all farms were in this class; in 1944 about a fourth. However, if allowance is made for what the dollar would buy in 1944 compared to what it would buy in 1939, then the total number of these farms in 1944 would be nearer a third of the total rather than a fourth.

(Continued on page 4.)

DISTRIBUTION OF THE 18 BILLION DOLLAR VALUE OF FARM PRODUCTION, PRODUCED BY 5.8 MILLION FARMS IN 1944 (FARMS GROUPED BY VALUE OF PRODUCTION)



DATA ARE FROM THE BUREAU OF THE CENSUS

Farm Size at a Glance

TODAY'S farms are bigger, more mechanized, more productive than 25 years ago, or even five.

The 1945 census counted 1.1 billion acres in farmland made up of 5.8 million farms, 600,000 fewer than in 1920. The average farm is about 195 acres, a 50-acre increase since 1920 and a 20-acre jump since 1940.

Only 5 percent of the farms are over 500 acres, but account for half of the farmland. In 1920 they accounted for a third.

The 180- to 500-acre farms account for a fourth of the farmland. Today there are about as many as in 1920.

The number of small farms, 10 to 180 acres, are now a million fewer than in 1920, largely the result of being absorbed into other farms.

In 1944 the top tenth of the farms produced half of all the farm output, the top third produced 80 percent.

Only 5 percent of the farms had a production worth more than \$10,000 each. A fifth of the farms had products worth \$4,000 or more in 1944. The average production of all the farms was between \$2,500 and \$4,000.

Over half of the farms had products worth less than \$1,500. From 3,000,000 farms came only a tenth of the record farm output in 1944, when it was a third more than before the war.

HOW BIG IS FARM BUSINESS?

(Continued from page 3)

There still were a great many farmers getting low incomes in 1944. The heaviest concentration was in the Appalachian Highlands, the Ozarks, the cut-over areas in the Lake States, in the Southeastern Cotton Belt, and in New Mexico and Arizona. Of course, many of these \$600-and-under farms near cities were farms only by census definition, because so many were really rural residences of city workers, or part-time farms, or country estates, or even victory gardens.

A sample of some of these small farms showed that in the East they averaged about 50 acres in size, were worth about \$4,500 including \$250 invested in machinery, and the op-

erator worked nearly a third of the year off the farm. In the Lake States the picture was about the same. In the South the average low-income farm was about 45 acres, and was worth around \$2,500 including about \$100 invested in machinery.

In general, the net income from the \$600 class of farms was pretty small, ranging up to about \$400 depending on the location and type of farm.

ELCO L. GREENSHIELDS

Bureau of Agricultural Economics

1946 Receipts Up 15 Percent

THE Nation's cash registers last year rung up 23.9 billion dollars in cash receipts by farmers in the marketings of their crop and livestock products. This is 3.2 billion dollars or 15 percent more than in 1945, the previous record. However, this does not necessarily mean that net farm income increased as much. Production costs also increased substantially in 1946.

The 1946 rise in cash receipts over 1945 was almost entirely the result of higher prices. The volume of marketings in 1946 was only about 1 percent more than in 1945. And, incidentally, though the volume of marketings in both years was nearly a third more than before the war (1935-39), it was below the all-time record in 1944.

In the first half of 1946 cash receipts were actually less than in the first half of 1945. It was the end of price controls, first temporarily on June 30th and then permanently in October, that brought the boost in cash receipts. In the second half of the year they were nearly 30 percent more than in the second half of 1945.

Consumers' craving for meat, not satisfied during the war, together with the cash to pay for it, brought a flood of meat animals to market when price controls were lifted. Receipts from meat animals and other livestock products brought farmers 13.2 billion dollars in 1946. Crops brought them 10.7 billion.

In addition to cash receipts, farmers got 800 million dollars in Government payments in both 1946 and 1945. These payments were largely for subsidies in the stabilization program.

Farm Tenancy at Low Ebb

FARM tenancy is now at its lowest point in over half a century, preliminary census data show. In 1945 the farms of tenants and croppers made up 32 percent of all farms. This compares with the high of 42 percent in the thirties and nearly 39 percent in 1940. In 1945 there were a million fewer tenant farms than in the thirties, and a half million less than in 1940. The 1945 total was 1,858,000.

Most of this big drop came in the war years. The rapid rise in farm incomes, particularly in the early part of the war, enabled many tenants to buy land. Then, too, a lot of farmers left the land. Thousands went into the armed forces. Other thousands took jobs in town. Of these, many were either tenants, or young men who would have been likely to start farming as tenants. Wider use of machines and other improvements, along with good prices for farm products, made it possible for many operators to handle more land, which they bought or rented. All these conditions helped to reduce the number of tenant farms and to increase the size of farms generally. The average tenant farm in 1945 was some 20 acres larger than in 1940.

Tenancy went down in all regions. However, over half of the Nation's total decrease was in the South. This region had a drop of some 280,000 in its tenant farms. But it still has the largest proportion of farms operated by tenants.

The South also had the largest gain in ownership. The number of owners jumped 14 percent, compared to only slight increases in the North and West. In these regions, the trend has been toward larger farms rather than additional ones. The gain in owners in the South came largely from an increase in farms of less than 10 acres. Their increase was around large war-bulging cities and military establishments. Urban housing shortages and reports of good farm incomes stimulated the increase in these so-called farms. These really are not much more than rural residences. Even though the census classes them as farms, most of them contribute very little to total agri-

cultural production. What the tenancy picture is, exclusive of these part-time farms, is not known definitely. However, if they are left out of the reckoning, the proportion of tenancy in the South would be more than the census figures indicate.

In the South, 40 percent of the farm operators were tenants in 1945. Most of these were on small farms. One third of them were sharecroppers. The North had 25 percent tenancy, and the West 15 percent. In the western part of the Corn Belt, tenancy fell sharply. The decline from 1940 to 1945 in this area accounted for over half of the North's total decrease.

Farm ownership as a whole went up slightly in the North and West. However, the number of part owners—those who owned some land and rented the remainder—increased substantially. In the South the number of part owners fell off about 10 percent. The western Corn Belt had the smallest proportion of full owners of any region—only 45 percent. New England had the largest number of full owners—88 percent. The proportion for the whole of the North was about 59 percent. In the South the proportion was 52 percent and in the West 67 percent.

More tenants in the North and West, particularly in the Corn Belt, run full-scale commercial farms. Corn Belt tenants often have large investments in livestock, crops, and equipment. Their good incomes in recent years helped many in the North and West to buy land of their own. But the price of much of the land was high and some tenants could not afford to buy complete farms. So they bought some land and rented the rest. This explains in part the large increase in part owners in these regions. Also, many full owners found it profitable to rent some added land during the war and so are classed as part owners in 1944.

The increase in owner-operated farms and the decrease in tenancy reflects in part the revolution that has come in farm production in recent years. To the extent that these changes increased the number of

good farms and cut down on the poor ones, they are desirable. However, not all ownership is good, nor is all tenancy bad.

New owners who went deep in debt to buy their farms or who bought low-grade farms may be headed for trouble. Tenants who have good leases on productive farms, and who have plenty of livestock and equipment may be much better off in the long run. Many new owners have gone into debt pretty heavily. And many have bought farms that are too small or too poor.

For many years, tenant farms have averaged larger than those operated by full owners. In 1945 they were about 10 acres larger. If sharecropper farms are excluded, the average tenant farm was near 40 acres larger. The average for these tenant farms was about 165 acres, compared to 125 for full owner farms. But part owners generally operated even larger farms—averaging 560 acres. The average

size of all farms is nearly 200 acres. In the North, tenant farms had an average of about 200 acres. They had about 72 percent more land than full owners, on the average.

Farmers as a rule get better returns from money put into getting enough livestock, tools and machines than from money put into land. Those who take on heavy debts for land and those buying low-income farms often have to skimp on their outlay for other things. An owner in this fix may come to grief. Tenants who put their money into livestock and equipment and rent good farms are in better shape by far.

The trend toward fewer tenants and more owners looks good. But the test will come when prices and incomes go down. The volume of foreclosures and percentage of tenancy at that time will tell the tale.

MAX M. THARP

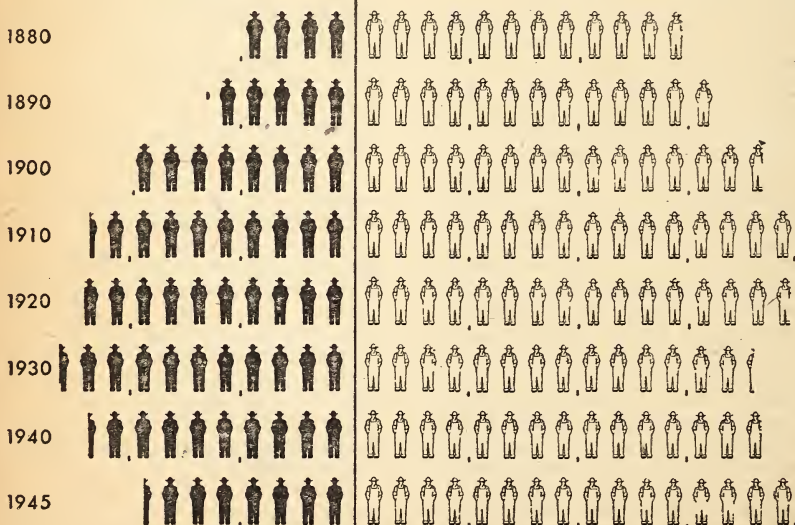
Bureau of Agricultural Economics

HALF CENTURY OF FARM TENANCY

(Each figure represents 250,000 farmers)

TENANTS

OWNERS



DATA ARE FROM THE BUREAU OF THE CENSUS

Price Supports Situation by 1949

THE official end of the war, proclaimed on the last day of 1946, has special meaning for farmers. Among other things it means that the obligation of the Department of Agriculture to support prices at 90 percent of parity ends on the last day of 1948.

The support program was undertaken by the Government for two main purposes: (1) to encourage high production during the war and (2) to enable farmers to make an orderly change-over after the war. It places a "floor" under two groups of commodities: the "basic," and the "Steagall," and directs the Department of Agriculture to support others wherever feasible. These groups account for well over half of the cash receipts from farm marketings. In 1945, for instance, basic and Steagall commodities alone accounted for about 60 percent.

Supports for prices of the basic commodities—wheat, corn, rice, tobacco, peanuts for nuts, and cotton—through mandatory loans are required by the Stabilization Act of 1942. The first five are to be supported at least at 90 percent of parity, except in the case of certain types of tobacco. Cotton is to be supported at 92½ percent of parity. Prices of fire-cured tobacco are to be supported at 75 percent of the loan rate for burley, and prices of dark air cured and Virginia sun cured at 66⅔ percent of the burley rate. But the basic commodities are to be supported by loans to cooperating farmers in the principal producing areas only if the producers have not rejected marketing quotas for a given marketing year.

Prices of Steagall commodities are required to be supported at not less than 90 percent of parity, or comparable price, by an amendment in 1941 to Commodity Credit Corporation legislation. These commodities, for which the Secretary of Agriculture formally requested expanded war production, are to be supported by loans, purchases, or other operations. This group of commodities includes: hogs, eggs, chickens over 3½ pounds live weight, turkeys, milk and butterfat, dry edible beans of certain varieties, dry peas of certain varieties, soybeans for oil, flax-

seed for oil, peanuts for oil, American-Egyptian cotton, potatoes, and sweetpotatoes.

In addition, the Steagall amendment provides that lending and purchasing operations of the Department should be carried out so as to bring the prices of other commodities into fair parity relationship with basic and Steagall commodities. Supports for this third group are optional rather than mandatory and are applied only to the extent that funds are available and producers are able to bring supplies into line with demand. Commodities in this group now having supports announced for them include: wool, naval stores, sugar beets, sugarcane, dry beans, barley, grain sorghums, rye, winter cover crop seeds, and hay and pasture seeds.

A number of other laws act indirectly to support prices. Among them are some that regulate the disposal of Government-owned and controlled stocks, regulate marketing, affect the production of agriculture commodities, and encourage consumption. The ending of hostilities affected only one of these laws, the act of April 12, 1945, which suspended until two years after the end of hostilities the part of the Agricultural Adjustment Act that limited the price and volume at which the CCC may sell its cotton.

Potatoes were the only commodity for which active price support operations were made necessary in 1946 by a decline in prices. A surplus of 90 to 100 million bushels developed during the year, and support operations cost about 80 million dollars. This year the Department has announced that only growers who keep within the allotted potato acreage goals will be eligible for supports.

But prices of many farm commodities in 1946 and early 1947 averaged not only above support levels but above full parity as well. And a few commodities supported in 1945 were not given price support last year. These include vegetables for canning and fruits for canning and drying.

Farmers can look for a good demand, generally, for most of their products during the months ahead. But they can also look for some

tapering off in the prices they receive, though the prices of most products will average well above minimum support levels. The whole agricultural, industrial, and business picture would have to get pretty black before it would become necessary to support prices of most farm products.

If there were a general drop in prices farmers receive there probably would be a drop in the prices they pay and perhaps a decline in parity—the relationship between prices re-

ceived and prices paid. And at 90 percent of parity, support prices could decline. In actual practice, however, support prices for most crops are announced at the beginning of a marketing season and so farmers would receive the announced prices even if parity prices went down during the season. In some cases this could mean that support prices would actually be more than 90 percent of parity at a given time.

WAYNE DEXTER

Bureau of Agricultural Economics

Prospects for Tobacco Growers

A MERICAN farmers in 1946 produced the largest tobacco crop on record. The highest average yield per acre in history, together with the fifth largest harvested acreage, resulted in a crop of 2.24 billion pounds, about a quarter of a billion pounds more than the previous record in 1945.

Better yields and greater production have been the trend since the depression of the early thirties. This was interrupted temporarily from 1940 to 1943 when sharply curtailed acreages resulted in smaller production. In 1946 the harvested acreage of tobacco reached 1.94 million acres, close to past peaks of 1.96 million in 1919, 2.12 in 1930, and 2.00 in 1939. The upsurge since 1943 in both acreage and yield per acre under the stimulus of very favorable demand and increasing prices has lifted annual production much above previous levels.

During the past 20 years acreage trends have been upward for three of the major classes of tobacco—slightly for Maryland, moderately for burley, and most rapidly for flue-cured. However, sharp acreage setbacks occurred for these types in 1921, 1932, and 1940, periods of abnormal conditions affecting tobacco. In contrast, the acreages of fire-cured and of dark air-cured tobacco have been downward over the long period with some slackening off in the decline during the war years, but a sharp upturn in fire-cured tobacco in 1946. Cigar leaf, while downward in trend prior to the early thirties,

has been gradually upward in acreage since then. Production for these different classes has followed closely the acreage trends.

Tobacco production has been profitable enough in the last few years to get first claim on production resources for the maximum acreage desirable in the farm organization or permitted by allotments. At very good yields and increasingly higher prices for most classes during the later war years, tobacco speedily passed all competitive enterprises for returns to growers for resources used. When acreages were brought under allotments—first for burley and flue-cured, and more recently for fire-cured and dark air-cured (except Virginia sun-cured) farmers aimed for higher yields on the allotted acreages.

The sharp increase in yields has resulted from practices encouraged by higher tobacco prices as well as technical advances, some of which will probably continue even at lower prices. These practices include heavier applications of fertilizers, more careful land selection to use the best available land on the farm, more manure where the practice is suitable for the class of tobacco grown, closer spacing of the plants in the field, use of improved strains of disease-resistant varieties, higher topping to include more leaves for harvest, and other management practices to give high yields.

Strong demand in recent years has made it possible to move all qualities of tobacco at favorable prices, which

has encouraged growers to concentrate more on volume rather than on the quality of leaf produced. This market situation is changing, particularly noticeable for burley, with demand weakening and buyers paying more attention to quality differences. Under lower prices it is probable that yields will decline mainly because of lighter fertilization and greater emphasis on higher quality of leaf.

Acreage allotments apply to the bulk of the tobacco crop. While they may be restrictive to individual producers, allotments for States and for each class usually permit some room for expansion. The estimated acreage in 1946 for the classes of tobacco under allotment was 1.82 million, while the allotment was 1.99 million. Flue-cured acreage was closer to the allotment than was the acreage for burley, and both were much nearer their total allotments than were fire-cured, and dark air-cured.

Acreage goals for 1947 call for increases over 1946 of 10 percent in fire-cured tobacco, 4 percent in Maryland, and 7 percent in cigar leaf. A decrease of 15 percent in burley is the sharpest cutback suggested, with 9 percent less dark air-cured, and 4 percent less flue-cured. These suggested acreage adjustments indicate the need to keep probable supplies in balance with prospective market demand. The acreages suggested for the classes under the control program are subject to modification in line with final determination of marketing quotas and acreage allotments.

Most of the recent increases in tobacco acreages were in flue-cured and burley, which account for the bulk of the production. Land for these increases came largely out of rotation pastures for burley, from cotton and feed crops for flue-cured tobacco, even though this additional acreage is small.

Tobacco growers have had several years of high incomes from tobacco and prospects for the next year or two are good, but some troubles lie ahead. Relatively little has been accomplished in reducing the man la-

bor required to produce tobacco, although increased use of oil for curing flue-cured tobacco will help reduce the labor required. The nature of the commodity makes it difficult to apply work simplification techniques. But for certain operations it may be possible for laborers to accomplish more work with the same effort. But in the main the high labor requirement will continue if good quality tobacco is produced.

A high level of employment and a high national income are necessary to maintain the current domestic consumption for tobacco products at present favorable prices. Sharply expanding exports of tobacco leaf since 1940 are in contrast to declining exports in the previous two decades. Burley production for the past three crops has been ahead of current consumption and much above the long-time consumption trend. The domestic market felt the impact of the large supply in 1945 when the price to growers was below that of the previous three years. While exports of burley in 1946 are running much ahead of previous shipments, the December auctions opened for the 1946 crop with prices for the lower grades at support levels (90% of parity). This indicates the depressing effect on prices of the large crop awaiting the market this year.

The outlet for fire-cured and dark air-cured tobacco has been narrowing since World War I. The current upturn is in sharp contrast to the consistent downward trend for over 20 years. While prices for the 1945 crop were very favorable for fire-cured types, dark air-cured types were only slightly better than in 1944 for a crop of about the same size. With 1946 production sharply up for these types and opening prices reported at or near support levels, the picture is not favorable, particularly for dark air-cured. Prospects would seem to indicate that the future may find competition forcing reductions in acreages and production back to prewar trends.

The flue-cured crop has been marketed at prices averaging higher than in 1945. The demand situation

Economic Trends Affecting Agriculture

Year and month	Industrial production (1935-39 = 100) ¹	Income of industrial workers (1935-39 = 100) ²	1910-14=100				Index of prices received by farmers (August 1909-July 1914=100)			
			Whole-sale prices of all commodities ³	Prices paid by farmers		Farm wage rates ⁴	Livestock and products			
				Com-modities	Com-modities, interest, and taxes		Dairy products	Poul-try and eggs	Meat animals	All live-stock
1910-14 average.....	58	50	100	100	100	100	100	101	101	101
1915-19 average.....	72	90	158	151	150	148	148	154	163	158
1920-24 average.....	75	122	160	161	173	178	159	163	123	142
1925-29 average.....	98	129	143	155	163	179	160	155	148	154
1930-34 average.....	74	78	107	122	135	115	105	94	85	93
1935-39 average.....	100	100	118	125	128	118	119	109	119	117
1940-44 average.....	192	234	139	150	148	212	162	146	171	164
1945 average.....	203	286	154	180	174	350	197	196	210	203
1946 average.....	170	164	177	203	194	378	242	198	256	240
<i>1946</i>										
February.....	153	218	157	185	179	-----	202	168	214	202
March.....	168	238	159	187	180	-----	201	167	219	203
April.....	165	247	161	188	181	362	199	166	225	205
May.....	159	248	162	192	185	-----	198	173	226	207
June.....	171	264	165	196	188	-----	207	178	230	213
July.....	172	268	182	209	199	378	245	196	268	247
August.....	177	285	183	214	204	-----	257	199	294	263
September.....	180	287	181	210	200	-----	271	221	249	250
October.....	181	288	196	218	207	378	300	257	318	299
November.....	182	294	204	224	212	-----	307	230	313	294
December.....	181	301	206	225	213	-----	312	226	311	294
<i>1947</i>										
January.....	188	-----	207	227	215	399	292	201	306	281
February.....	-----	-----	-----	234	221	-----	270	192	319	278

Year and month	Index of prices received by farmers (August 1909-July 1914=100)									Parity ratio
	Crops								All crops and live-stock	
	Food grains	Feed grains and hay	To-bacco	Cotton	Oil-bearing crops	Fruit	Truck crops	All crops		
1910-14 average.....	100	101	102	96	98	99	-----	99	100	100
1915-19 average.....	193	164	187	168	187	125	-----	168	162	106
1920-24 average.....	147	126	192	189	149	148	143	160	151	86
1925-29 average.....	140	119	172	145	129	141	140	143	149	89
1930-34 average.....	70	76	119	74	72	94	106	86	90	66
1935-39 average.....	94	95	175	83	106	83	102	97	107	84
1940-44 average.....	123	119	245	131	159	133	172	143	154	103
1945 average.....	172	161	366	171	215	220	224	261	202	116
1946 average.....	201	195	382	228	244	226	204	226	233	120
1946										
February.....	180	166	368	186	212	233	275	213	207	116
March.....	185	171	367	183	208	229	283	215	209	116
April.....	185	171	368	190	210	244	282	220	212	117
May.....	198	188	369	194	214	248	177	215	211	114
June.....	200	195	370	210	219	261	185	223	218	116
July.....	215	244	369	249	242	249	163	240	244	123
August.....	203	225	388	271	242	203	162	233	249	122
September.....	207	221	396	285	236	210	154	236	243	122
October.....	218	222	410	304	255	208	151	244	273	132
November.....	220	187	399	236	342	186	207	230	263	124
December.....	224	186	406	242	334	211	166	232	264	124
1947										
January.....	223	184	399	240	336	196	238	236	260	121
February.....	235	185	390	246	334	203	275	245	262	119

¹ Federal Reserve Board; represents output of mining and manufacturing; monthly data adjusted for seasonal variation.

² Computed from data furnished by Bureau of Labor Statistics and Interstate Commerce Commission on pay rolls in mining, manufacturing, and transportation; monthly data adjusted for seasonal variation. Revised May 1946.

³ Bureau of Labor Statistics.

⁴ Monthly data adjusted for seasonal variation.

⁵ Revised.

⁶ Ratio of prices received to prices paid for commodities, interest, and taxes.

⁷ 1924 only.

for other classes of tobacco is very favorable for the 1946 crop, much of which has not come on the market yet, and the prospects for the next year or two are good. Particularly will this be true if present high incomes continue.

But tobacco growers are definitely at a point where considerable caution must be used in adjusting the tobacco acreages and yields to prospective market demands. While consumption may be expected to move up gradually with the growth of population and popularity of smoking, increasing supplies at the recent rate of increase in production cannot be expected to move into consumption at the favorable prices of recent years.

ROScoe J. SAVILLE,
Bureau of Agricultural Economics.

Seventeen major crops produced in this country account for 96 percent of the total acreage of all crops harvested. Corn and wheat combined account for about 45 percent of the total acreage.

The biggest wheat acreage of record—nearly 74 million acres—was harvested in 1919 but the record production of over a billion bushels was harvested in 1946.

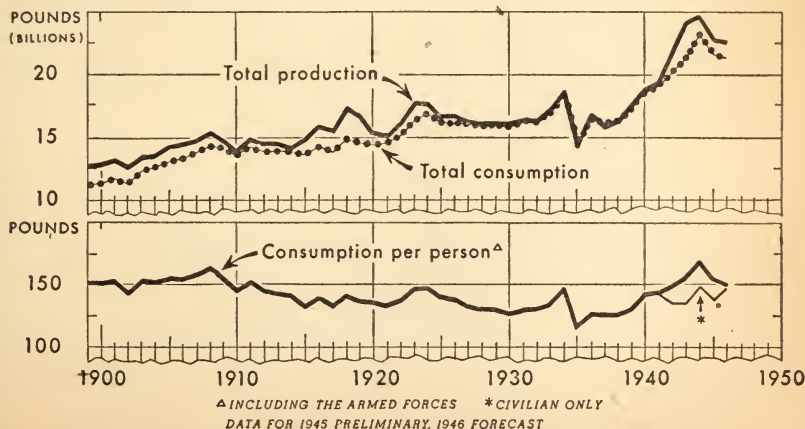
Livestock

FARMERS and ranchers cut down the number of all kinds of livestock in 1946. This was the result largely of: (1) good prices that brought a flood of animals to market in the second half of the year, (2) feed and labor shortages, and (3) streamlining of operations to postwar conditions by many individuals.

The 81 million cattle and cows this January 1 were 2 percent fewer than last year and 5 percent below the peak on January 1, 1945. The numbers of all classes of beef cattle declined in 1946, except beef cows which remained about the same. Farmers can look for cattle numbers to fall off more in the years ahead as beef and veal production continues to be large.

At the start of 1947 farmers had 4 million fewer hogs than a year earlier. This number was the smallest since 1941 and far below the peaks in 1943 and 1944. The 1946 decline was mostly the result of an 11 percent drop in the fall pig crop from a year earlier. Favorable hog prices, together with large feed supplies, are encouraging more hog production this year. This will re-

PRODUCTION AND CONSUMPTION OF ALL MEATS,
EXCLUDING LARD, UNITED STATES, 1899-1946



sult in greater hog slaughter in late 1947 and in early 1948.

On January 1 this year stock sheep numbers were the lowest since 1867. The heavy cut in sheep number in 1946 continued the trend of the previous 4 years—resulting in the greatest decrease of any 5-year period of record. Lamb and mutton output will be small for some time, but will strengthen prices for sheep and lambs.

The downward trend in horse and mule numbers was accelerated in 1946, with the 10 million head on January 1, 1947, the smallest number in three-quarters of a century. In addition to the replacement of horses and mules by tractors last year, large numbers were exported abroad for workstock, and many more were slaughtered for meat for foreign countries as well as for pet food in this country.

Poultry and Eggs

FARMERS in February indicated they were going to buy 6 percent fewer baby chicks than last year. If this is followed through, next year's laying flocks will be reduced, the first time since the start of the war. High feed costs are the chief reason given for the reduction.

Early this year turkey producers indicated a 16 percent decrease from last year in production for 1947. Turkey prices went off sharply at the end of the marketing season; in mid-January they were 30.6 cents per pound, 97 percent of parity. The Government purchase program, announced in February, is expected to keep turkey prices from dropping below support levels (90 percent of parity).

This spring egg producers can look for moderately higher prices than a year ago. The Government is sup-

Prices of Farm Products

[Estimates of average prices received by farmers at local farm markets based on reports to the Bureau of Agricultural Economics. Average of reports covering the United States weighted according to relative importance of district and State]

Commodity	5-year average		Feb. 15, 1946	Jan. 15, 1947	Feb. 15, 1947	Parity Price Feb. 15, 1947
	August 1909-July 1914	January 1935- December 1939				
Wheat (bushel).....dollars..	0.884	0.837	1.55	1.91	1.99	1.95
Rye (bushel).....do....	.720	.554	1.64	2.18	2.33	1.59
Rice (bushel).....do....	.813	.742	¹ 1.73	2.17	2.33	1.80
Corn (bushel).....do....	.642	.691	1.11	1.21	1.23	1.42
Oats (bushel).....do....	.399	.340	.731	.796	.797	.882
Barley (bushel).....do....	.619	.533	1.11	1.36	1.33	1.37
Sorghum, grain (100-pound).....do....	1.28	1.17	2.17	2.03	2.15	2.67
Hay (ton).....do....	11.87	8.87	¹ 15.70	17.50	17.50	26.20
Cotton (pound).....cents..	12.4	10.34	23.01	29.74	30.56	27.40
Soybeans (bushel).....dollars..	2.96	.954	2.11	2.93	3.00	² 2.12
Peanuts (pound).....cents..	4.8	3.55	8.43	8.91	9.05	10.90
Flaxseed (bushel).....dollars..	1.69	1.69	2.89	6.95	6.96	3.73
Potatoes (bushel).....do....	.697	.717	1.45	1.29	1.31	1.64
Sweetpotatoes (bushel).....do....	.878	.807	¹ 2.25	2.20	2.28	1.94
Apples (bushel).....do....	.96	.90	¹ 3.67	2.65	2.78	2.12
Oranges on tree (box).....do....	⁴ 2.29	1.11	2.12	.67	.92	3.34
Hogs (hundredweight).....do....	7.27	8.38	14.20	21.80	23.80	16.10
Beef cattle (hundredweight).....do....	5.42	6.56	12.60	17.30	17.30	12.00
Veal calves (hundredweight).....do....	6.75	7.80	¹ 13.70	18.00	19.20	14.90
Lamb (hundredweight).....do....	5.88	7.79	¹ 13.40	19.00	19.40	13.00
Butterfat (pound) ⁵cents..	26.3	29.1	¹ 51.2	74.5	67.8	⁶ 59.6
Milk, wholesale (100-pound) ⁵dollars..	1.60	1.81	¹ 3.36	¹ 4.77	4.53	⁶ 3.64
Chickens (pound).....cents..	11.4	14.9	23.1	25.6	25.3	25.2
Eggs (dozen).....do....	21.5	21.7	32.6	41.3	38.6	⁶ 42.8
Wool (pound).....do....	18.3	23.8	¹ 40.8	40.6	40.3	40.4

¹ Revised.

² Comparable base price, August 1909-July 1914.

³ Comparable price computed under sec. 3 (b) Price Control Act.

⁴ 1919-28 average for computing parity price.

⁵ Does not include dairy production payments made directly to farmers by county PMA offices October 1943 to June 1946.

⁶ Adjusted for seasonality.

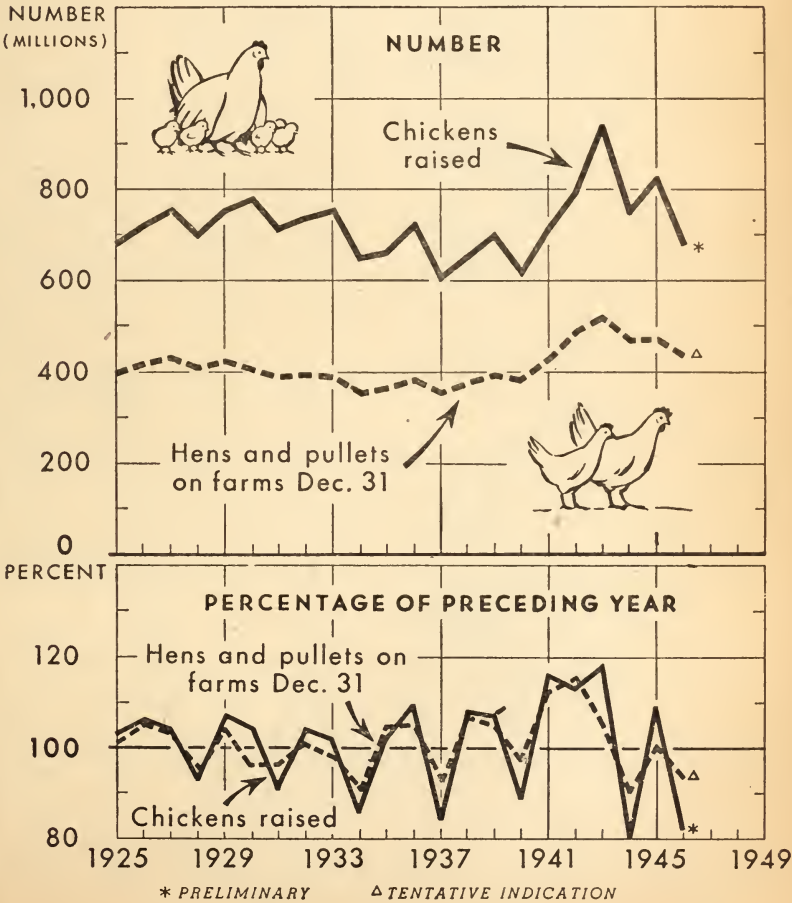
porting the egg market through purchases of dried and frozen eggs. Because the commodities farmers buy are much higher than last spring, the support prices are about a tenth higher than the actual prices farmers got in the spring of 1946. But feed costs have risen more than egg prices so producers are not receiving as favorable returns as in 1946.

Slaughter of farm chicken meat this year can be expected to be about

a tenth less than last year. And though commercial broiler production may be at least as large as last year, stocks will be slightly smaller. Thus supplies available for civilians will be smaller than last year.

The 1945 farm population showed a net increase for the first time since 1932. But the 26 million persons living on farms the first of 1946 was well below the 32 million in 1910.

CHICKENS RAISED, AND HENS AND PULLETS ON FARMS DECEMBER 31, UNITED STATES, 1925-46



Fruits and Vegetables

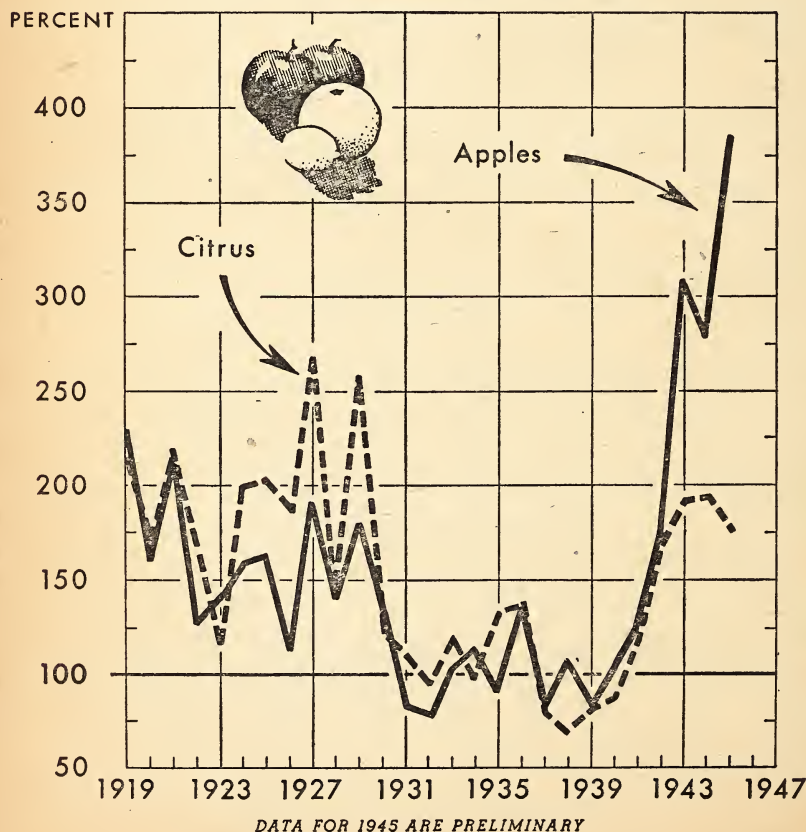
FRUITS and vegetables will be generally plentiful this spring. In most cases prices to growers will be moderately below a year ago.

The cold wave that hit the Gulf States and Southwest in early February did heavy damage to the citrus crop. Even so, citrus fruits will be plentiful, with the possible exception of Florida oranges.

Because the cold wave set back strawberries in the South, market supplies are not expected to gain volume until late March. The sharp increase in acreage is the chief reason why the 1947 crop will be larger than last year. Growers can look for lower prices than last season.

Vegetable crops, especially in Florida, were hard hit by the freeze. This will reduce supplies during late winter. And despite prospective

APPLES AND CITRUS FRUITS: SEASON AVERAGE PRICES RECEIVED BY GROWERS, UNITED STATES, 1919-45 INDEX NUMBERS (1935-39=100)



smaller supplies of fresh vegetables in March and April than a year earlier, prices to growers probably will be somewhat lower.

Dairy Products

FARMERS can expect their prices for milk and butterfat this spring to go down more than seasonally from this winter's record levels. They will get slightly less total cash from milk and butterfat this year than in 1946, because more milk will go into butter production and less be consumed in fluid form. Even so, farmers' cash receipts from dairy products in 1947 probably will exceed any other year but 1946.

Faced with feed shortages and high labor costs, farmers reduced the size of their dairy herds in 1946. The 26.1 million milk cows on January 1, 1947, were 2 percent fewer than a year earlier. And the 5.6 million replacement heifers between 1 and 2 years old were 3 percent less. Many farmers last year found it paid to sell their less efficient producers for beef, rather than keep them for milk. However, farmers may be changing their intentions because on the first of January this year they had 3 percent more heifer calves being kept for milk cows than a year earlier.

Farmers can look for slightly less civilian per capita consumption of dairy products in total during 1947 than in 1946. Total civilian supplies will be about the same, but the population will be greater. Fluid milk and cream consumption per person will decline slightly, holding about the 1943 level. Butter consumption will increase substantially from the record low of 1946.

Before the war paint brushes were made with hog bristles imported from China because they are longer than those from domestic hogs. When the war cut off this supply, Department of Agriculture chemists went to work and developed excellent bristle fiber from, of all things, milk casein. One brush manufacturer recently began producing the casein bristles and brushes on a fairly large scale, for the highly competitive "dime store" trade.

Cotton

WITH cotton planting time at hand, farmers in the South are thinking about what the cotton picture will be in the months ahead.

Cotton stocks in this country are at one of the lowest points in recent years. At the end of January there were only about 9.1 million bales, a third less than a year ago. Yet domestic cotton mills alone will probably use a half million bales more than last year. And though exports will be much smaller than last year, total disappearance of United States cotton will be some 4½ million bales above last year's production. The carryover next August will thus be the lowest since 1929, only 3 million bales.

This is why the goals ask farmers to plant 23.1 million acres, one of the largest in recent years. An acreage of this size is needed (assuming average yields) in order to keep mills supplied at present levels and to export something near present shipments.

Of interest to farmers in certain cotton-growing areas is the fact that the supply of low-grade cotton has been reduced rapidly since the end of the war. In the markets discounts for low-grade cotton have narrowed considerably in the last several weeks.

Hot Stuff

TO a lot of people garlic is just something to smell, but to hundreds of farmers in California, Louisiana, and Texas it means millions of dollars. In 1946 these farmers, who produce just about all of the commercial crop, raised 20,400,000 pounds of garlic, about 50 percent more than the 1935-39 average output. More important, last year's crop brought them \$2,800,000, over five times the 1935-39 average.

Higher yields in recent years, which are about a fourth more than before the war, largely account for the increased output. The acreage has been about the same.

Strong wartime demand, with prices more than double the prewar average, led farmers to increase yields and production. Before the war a big share of the garlic used in this country was imported, much

of it from Europe. With these supplies cut off during the war, the gap was filled by increased domestic production and from imports elsewhere, chiefly from Mexico.

Besides the home demand, garlic became a strategic war food. The military forces, lend-lease, and UNRRA took great quantities in dehydrated form. During the war about half as much garlic was imported as was produced here. In 1946 13,379,000 pounds were imported.

Oh yes, the chief use of garlic is still as a food seasoning. But it has gained wider acceptance in recent years.

Farm Costs at New High

FARM costs—both for production goods and family living—hit a new high on February 15, 1947. They were 16 percent above the World War I peak in 1919, and 26 percent more than in February 1946.

Sharp increases in lumber prices caused most of the rise in the index of prices paid by farmers. But not far behind was the increase in seed prices. Clothing and furniture prices also advanced considerably.

And the prices of practically everything else bought by farmers increased or remained about the same. Chief exceptions were the prices of feeds and foods which continued their downturn. But these declines were small and not enough to offset the increases.

Thus the average of all prices paid went up 3 percent from mid-January to mid-February. This brought big upturns in the parity prices of all major commodities, except milk and eggs. The parity prices of the latter two did not go up because of seasonal adjustments.

The two dollar rise in the average price of hogs during the month pushed the prices for meat animals to new highs. Prices for food grains rose considerably as did the prices for most truck crops because of severe freeze damage early in February. Cotton prices rose slightly. But milk and dairy prices continued the decline from their December peaks. Prices for oil-crops and tobacco were down somewhat. All-in-all the upturns and downturns about offset each other. Thus the average of all prices received by farmers in mid-February were nearly the same as in mid-January.

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